

claim the time of the gentleman from North Carolina (Mr. JONES).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, today I would like to focus on an issue that is critical to the survival of America's manufacturing base and the stabilization of American growth and job creation.

While Washington continues to explore initiatives to restrain outsourcing and level the playing field for U.S. employers in the international trading system, it is imperative that we maximize the Federal Government's most potent economic tool, tax policy, to promote growth.

In order for U.S. employers and businesses to remain competitive in the 21st century's global market, Congress must create a Tax Code that serves as a source of support to American companies rather than as a hindrance.

I recently introduced legislation, the Simplified USA Tax, or SUSAT, to help untangle the web of red tape that individual and corporate taxpayers have to navigate every year. My proposal includes a new and better way of taxing businesses that will allow them to compete and win in global markets in a way that exports American-made products, not American jobs. I have studied this issue and I believe that, if enacted in America, this innovative approach to business taxation will set the worldwide standard and create an opportunity for the United States to thrive.

In fact, many of the provisions included in my bill were recommended by the President's advisory panel on Federal Tax Reform as part of their Growth and Investment Initiative.

Under my proposal all businesses, incorporated or not, are taxed alike at an 8 percent rate on the first \$150,000 of profit and at 12 percent on all amounts above that small-business level. Additionally, all businesses will be allowed a credit of 7.65 percent payroll tax that they pay under the current law. One of the most pro-growth elements in SUSAT is that all costs for plant and equipment inventory in the U.S. will be deductible in the year of purchase.

There is broad-based support for expensing in Washington. Recent data show that orders for capital goods were on a steady decline from early 2000. However, when Congress passed "bonus depreciation," an initiative that I worked on with my colleague, Mr. WELLER from Illinois, as part of the 2002 and 2003 tax bills, the trend was immediately reversed and orders for goods steadily rose.

Every economic principle and every piece of data tells us that immediate expensing must be a major component of any tax reform package. It has the highest bang for the buck, about \$9 of

growth for every \$1 of tax cut. It has bipartisan appeal, and it directly translates into greater competitiveness and better paying jobs.

Another key component of SUSAT which will make American businesses more competitive is border adjustability. SUSAT would end the perverse practice, unique among our trading partners, of taxing our own exports. The absence of some type of border tax adjustments for exports of American-made goods places our businesses, particularly manufacturers, at a major disadvantage.

Any entrepreneur will tell you that whether a product is taxed at the corporate level or through a consumption tax paid at the register, the burden will fall largely on businesses, which includes the employees and shareholders. So when our trading partners rebate the taxes paid to their businesses and we do not, it necessarily means that we are at a disadvantage.

Under SUSAT, all export sales income is exempt and imports are taxed at a 12 percent rate. In turn, all companies that produce abroad and sell back into U.S. markets will be required to bear the same tax burden as companies that produce and sell from here in the United States. This policy will finally take away the bias in favor of imports built into our current tax structure, which, in my view, has contributed to our record trade deficit, which continues to increase at a breath-taking rate.

Mr. Speaker, we noticed that on Monday the WTO rejected an appeal of an early ruling which found transition rules repealing the export subsidy known as FSC/ETI. This decision requires us to come back and look again at fundamental reform. Not only are our products at a disadvantage in the global marketplace; the EU now has a legal right to impose sanctions on American products, giving them an even greater competitive disadvantage. Monday's decision makes tax reform even more timely and even more essential.

The other underlying absurdity in our Tax Code is that we currently condition territoriality on foreign subsidiaries reinvesting profits in foreign countries instead of repatriating the profits for investment in the United States. I authored a provision with Senator ENSIGN that made it into the tax law that effectively allowed the repatriation of over \$300 billion in foreign profits that have come back into the United States and have been reinvested into our homeland.

Anyone who has any doubts that U.S. companies have an incentive to keep money abroad has just to look at those figures. Until we change our current structure, the foreign companies will continue to reap the economic benefits of our tax laws' backwards incentives.

The time has come for us to move forward on fundamental tax reform, and I challenge my colleagues in the House and on the Ways and Means

Committee to move forward on this issue to engage the Treasury. At a time when we need to make sure we are doing everything to make our economy competitive, now is the time to move forward on tax reform.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

MEDICARE PART D IMPLEMENTATION, MEDICAID REIMBURSEMENT, AND COMMUNITY PHARMACISTS

Ms. HERSETH. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Ms. HERSETH) is recognized for 5 minutes.

Ms. HERSETH. Mr. Speaker, I rise today to discuss a problem of potentially catastrophic proportions. It is not a matter of foreign policy or national security, and it is not natural disasters like this past summer's hurricanes or the ongoing drought in States like my home State of South Dakota.

No. This is a man-made disaster. This debacle is of government creation and, in particular, legislative irresponsibility. This is a crisis that we, as elected representatives, have an obligation and a duty to address. I rise to discuss the crisis facing our community pharmacists, particularly those who serve rural communities.

As I mentioned on Tuesday of this week, of all the health care professionals struggling with the implementation of the new Medicare drug benefit, pharmacists appear to be the most negatively affected. This past weekend I spent several hours meeting with health professionals from South Dakota communities, small and large, to discuss their ongoing efforts to implement the new Medicare prescription drug benefit.

These meetings proved incredibly beneficial to me and to my staff, and I have scheduled more of them in the near future. I encourage my colleagues to take the time to sit down with those administering the program in their districts. It is important that you hear from them first hand. But because of the urgency of this issue, I feel compelled to share with you now some thoughts on the crisis facing rural and community pharmacists.

Here is what is happening: PHARMACIES large and small receive no or inadequate compensation for the time they spend filling prescriptions. This is particularly troubling for those serving